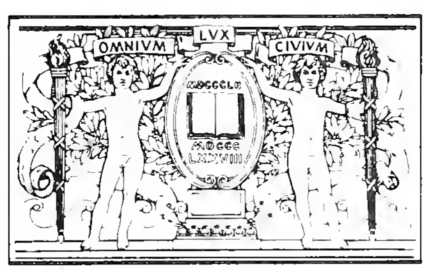
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technical development corporation

11 beacon street, boston, massachusetts 02108 617-523-7557

To: Boston Plan Task Force

From: David Smith, David Dayton Date: June 20, 1977

Subject: Initial Observations on the Plan Draft and Outline of Manpower Proposals

As you know, we have not had an extensive period of time to review your draft documents, and therefore the following comments need to be seen as general rather than as specific and ready for detailed implementation.

Our comments below are divided into three parts:

1. A series of general observations about your draft and some recommendations for strengthening and tightening without specific reference to manpower programs;
2. An outline of a planning format and evaluation strategy which we think is crucial and presently missing from the draft, and to provide some of the necessary glue to hold the specifics together;
3. A framework for thinking about the specific manpower initiatives which we are proposing in a separate document.

The first comment, and one that is doubtless not new to anyone, is that the current draft is broad, unfocused, and difficult to read. To a large extent, it seems to promise that all which might be done will be done; that every dollar resource which might be available will be available; that every planning link which needs to occur will occur; when we are all aware that what can be accomplished within the project time period needs to be cast in far more modest and, more importantly, clear and specific terms.

In some particular areas, the proposed projects cannot be completed within the time frame outlined in the executive summary. The most important examples are the Cross Town Industrial Park, the full operation of the Marine Industrial Park, and any substantial new town development at Columbia Point. Certain preparatory stages can certainly be completed. Some of the necessary infrastructure work and associated planning can be done, but the job and housing stock impact suggested in the current draft are certainly not realizable before 1985.

We are concerned at the extent to which the plan relies on financial resources which are not immediately or even in the second instance, under the control of the City or some captive agency. In particular, the resources of the Port Authority and private financial intermediaries are essential to several aspects of the proposed plan, but adequate provision is not made for involving those institutions in the early planning. Adequate attention has not been paid to what expenditures of public monies will be necessary to lever the volume of subsequent private investment. A specific example may help illustrate this point. The Marine Industrial Park proposal imagines that 10,000 permanent primary sector jobs will be created through the use of the surplus property now in the process of conveyance to the City. Using as a rule of thumb the Commonwealth's average capital cost per new job in the manufacturing sector, 10,000 jobs would require private capital in excess of three hundred million dollars for the harbor project alone. There is no mechanism proposed for securing this capital nor is there any clear indication of existing links with private financial sources. These things require substantial work before short-term projects in and around the harbor can be thoughtfully developed. While we don't want to understate the long-term need for this kind of financing, in the short run, it is important to focus on clearly available public resources and move forward on a clear strategy for municipal leverage.

Much the same point can be made about the new town development at Columbia Point. HUD funds and HUD guaranteed funds will likely, under the best of circumstances, result in only 35 or 40% of the capital necessary to create a major housing development at the Point, let alone supply the capital for related service and commercial sector activities. Similarly, while UMASS is mentioned as an operator/manager for the housing, we ought not to assume any real likelihood of the University coming up with the necessary financing for the residential development on its own.

It also seems important at this stage of the process to set down a planning and management framework for the implementation of the Boston Plan. By this

we mean the development of an organizational capacity to manage the detailed program development, financing and operation of such publicly-initiated strategies. A detailed description of management and a timetable based plan which includes strategies for staffing, in service training, and program implementation would do much to support the plan's impact.

Links between the projects themselves are not clearly articulated. To the extent that some of the projects are City-wide in scope, an overall economic development plan is needed to make the necessary connections with activities undertaken both inside and outside of the context of the Boston Plan. That is to say, an overall plan from which specific, geographically based strategies emanate, and are carried out in support of larger pre-determined goals and objectives. For instance, the Marine Industrial Park clearly will have an employment impact beyond the boundaries of South Boston, and will require careful integration of vocational education resources, CETA Title I monies now subcontracted to ABCD and perhaps, the career opportunities now offered by the community college system with the anticipated manpower needs of the occupants of the new industrial space. Planning ought to begin now to assure a steady stream of appropriately trained and qualified workers and a careful mix of job opportunities offered by the center itself.

Though of a somewhat different nature, the definition of the target area for the Blue Hill Avenue corridor project seems to be a bit too narrow. The SaveMore neighborhood extends only west of Blue Hill Avenue, but is clearly a part of that greater community which extends east from the Avenue to Columbia Road. A major question seems to be, is the narrow definition of the target area (focusing on the commercial sector) likely to have a sufficiently stabilizing impact? Stu Forbes put it well in his introductory piece to the Blue Hill corridor section. An incomes strategy probably has to precede any significant efforts of commercial sector revitalization and in particular the development of a stable shopping and service center at Grove Hall and Dudley. The capacity of those neighborhood centers to survive is vitally dependent on an adequate income stream within their primary market area. We doubt that the SaveMore residential community is in itself sufficient.

Finally, and most importantly, the Plan in its current form lacks overall definitive goals and an evaluation and measurement component. It is very hard to determine what the goals of the Plan are (except in their most discrete, disaggregated form); how those goals are weighed against one another; and what the drafters expect the overall impact of each program to be on some broader measure of municipal economic health. The plan needs to define what is realistically within the City's reach, not just what it hopes will happen. Having defined its objectives, the plan then needs to build a framework for determining to what extent they have been achieved. In part two below we've begun to outline such a framework.

Section 2

Principles of Evaluation

Because the plan, as it now exists, is so broad and exhibits no links between the four major project areas, we are proposing to examine and evaluate them in light of the concept of a "public balance sheet." The City is not unlike the private corporation, in that it takes in and expends revenues from a variety of sources for goods and services. In traditional terms, however, the City often expends rather than invests its funds which create little or no permanent value - thus not either adding to the net revenue potential or decreasing demand for services in subsequent fiscal years. Using the framework of a public balance sheet and measuring expenditures as investments in real and human capital provides us with a capacity to alter this process.

The program designs and operational goals which follow use these formulations within the overall context of a capital preservation and enhancement strategy. In particular, these strategies should be designed to:

- generate a return on the investment of public funds in the City's economic base
- reverse the capital outflow resulting from withdrawn private investment and the competitive advantage perceived in suburban sites
- reinvest such returns in further enhancement of the City's ability to support competitive income generation and reduced cost of living

Such a strategy must be based on new principles of growth in mature economies:

- conservation as a stronger foundation than increased consumption
- labor-intensive processes as more sustainable than capital and

energy-intensive processes, in view of limited resources

-market support of income generation as a better means of retrieving lost human productivity than tax support of transfer payments and continued public supports for public sector jobs

-a broader definition of the "economic infrastructure," including security, a trained and work-ready labor force, health and educational resources, and a receptive political environment.

These principles guide the design of projects in which cooperative public-private funding can enhance the City's ability to attract and multiply further investment. They constitute one set of criteria against which all proposed projects can be evaluated.

The Return on Public Investment: An Evaluation Framework. We suggest that an evaluation framework be developed which uses in broad terms the notion of the "public balance sheet" and attempts to calculate the direct fiscal return to the City and to municipal residents from each intervention undertaken. The fiscal balance sheet for the City and its residents isn't as precise as a corporate version but it nonetheless provides one with the capacity to look at programs and efforts and to measure the relative impact of each expenditure against quantifiable outcomes. This has two potential values:

a. For management control and evaluation, an accounting of the sources, uses, and returns on the City's new investments is essential.

b. For attracting and justifying new Federal funding, the public balance sheet will enhance the capacity of experimental programs to contribute to new understanding of public investment potential and public management capacity.

This potential for learning new things is not generally realized because most public programs are gauged only on an annual-expenditure basis. The ability to consider long-term uses of public funds as investments rather than expenses - to do accrual accounting and to capitalize expenditures with long-term potential - adds a new dimension of accountability to public service. Such a system will require a new look at how to evaluate returns that are not usually quantified and related to antecedent investments.

Two personal effectsof each investment decision need to be considered:

-the impact on individual incomes and the capacity of households in the City to sustain an adequate standard of living. We should note that that capacity is affected equally by programs which reduce costs

of acquisition of goods and services, in the same way that that capacity is affected by increased income.

-The fiscal health of the City itself as measured by the capacity of the tax base to produce, at a non-confiscatory level of taxation, ~~and~~ to provide sufficient revenues to meet social service and general operating demands.*

*See Attachment 1 for calculation of return on investment.

Operational Goals

A. Outcome: The net disposable incomes of Boston residents should increase either through the creation of new jobs which are captured for them or through an increase in the flow of state and federal income subsidies to them.

Indicators:

1. An increase in the median household income of present Boston residents.
2. An increase in the median household income of residents in the Metropolitan area.
3. The rate of deviation of median incomes of residents of Boston, and Boston neighborhoods, from those of the state and the nation.

B. Outcome: Net out-of-pocket expenditures to maintain a decent standard of living decrease for the average Boston resident, either through increases in disposable income or decreases in the costs of purchased goods and services.

Indicators:

1. Reduced costs of basic goods and services such as housing, food, clothing and transportation.
2. Ability-to-pay calculations from net disposable income.
3. Increased output measured against constant cost levels.

C. Outcome: Stabilization of Boston neighborhoods.

Indicators:

1. A rise in the value of real property, the owners of which pay taxes to the City.
2. Increased homeownership measured in absolute terms and in terms of existing homeowners capturing some of the increase in property value.
3. Decreased tax delinquency and foreclosures.
4. Increased private mortgage lending in newly stabilized neighborhoods.

D. Outcome: The revitalization of Boston's neighborhoods.

Indicators:

1. A measurable increase in the net disposable income of neighborhood residents.
2. The absolute rate of growth in neighborhood populations.
3. A net increase in the adequate housing stock of the neighborhoods.
4. The return of investment to neighborhood commercial properties and facilities.

E. Outcome: Expansion of the local tax base and the improvement of the City's fiscal and management capabilities in order to deliver improved services to City residents.

Indicators:

1. An increase in the tax yield taken as a percentage of the local tax base.
2. A reduction in per capita debt.
3. An increase in the tax base as measured against other cities in the Northeast region.
4. An increase in the City's capacity to deliver demanded human services.
5. An increase in the City's return on investment measured in terms of income and employment.
6. Increased productivity from the existing service sector.

F. Outcome: Increased private sector capital investment in Boston's economy.

Indicators:

1. a. Increase in the value of private investment and
   b. the extent to which relatively labor intensive investments are made.
2. Increased commercial sector activity.
3. An increase in dollars slated for new housing construction and rehabilitation mortgages.
4. A re-allocation of industrial, commercial and institutional development dollars towards job-producing programs, as opposed to expenditures solely for plant and equipment.

Investment of Employment and Training Monies in Job Creation

Investment initiatives of five kinds are appropriate within the above operating framework. While the character and beneficiaries of the return varies within these five categories, each provides for:

- a direct and measurable fiscal impact on either residents or the municipality (in addition to the direct impact on the employed workers);
- leverage potential with respect to both public and private dollars;
- the possibility of expansion and replication in areas of the City outside of the Boston Plan targets; and
- the possibility of programs becoming self-sustaining through penetration of new markets or of sufficient skills enhancement taking place to increase individuals' employability.

Below these five categories are outlined and a brief conceptual description is provided, along with an unannotated list of possible projects within each category. In Attachment 2 we have provided more detailed information on one project within each category. Due to present time constraints, no attempt has been made to rank these initiatives. Some proposed projects are based on experience elsewhere and can be operational relatively quickly; others, however, remain at the idea stage and will require much more work before any clear assessment of feasibility can be made.

1. The Use of Manpower Funds to Access Public and Private Investment Dollars. An important new possibility is the use of manpower monies to either plan or do the initial work necessary to access investment funds. In particular three State programs are now capable of providing equity monies to community-based ventures (several Federal programs also exist); however, each of them requires a relatively well prepared business and work plan before funds will flow. In many cases Title VI monies can be used to either do the necessary planning or to produce land and facility value which can then serve as the required local share. Such is the case in the SBA's 502 Local Development Corporation program. Below we have outlined the public capital sources which might be accessed through the investment of manpower dollars, but do not as yet have enough information to suggest specific utilizations:

a. The Massachusetts Community Development Finance Corporation (MGL 40F) can provide equity to Community Development Corporations or municipally-operated businesses.

b. The LEAP program of the State Manpower Services Council provides start-up equity to small ventures.

c. SBA 502 Local Development Corporations can receive below market, long-term debt financing for land, plant, and equipment.

d. The Massachusetts Job Creation Corporation (in Human Services) may provide equity and training supports to enterprises participating in transfer payment diversion programs.

e. Capital investments may be made through the two Boston-based Community Development Corporations with CSA-OED equity funds. (East Boston CDC and Greater Roxbury CDC already have such funds; a new CDC in the Chinese Community has received a planning grant.

f. A range of conventional private financial intermediaries are obvious targets.

In each case, it should be clear that the manpower funds are used to trigger investment in projects which promise long-term, market-supported employment.

2. Programs Designed to Enhance or Improve Infrastructure. Little description is needed here. The point of each of these initiatives is intervention designed to retain value in existing capital stock, enhance the general environment so as to encourage subsequent private investment, or to lower the cost to a particular investor.

In most cases, these programs require a linking of CETA Title II or VI money with either municipal capital funds or block grant allocations. In some cases diverted transfer payments and links with the Commonwealth's proposed Job Creation Corporation will be possible. (See energy conservation and handicapped access proposals in the MJCP Interim Report 6/15/77.)

a. Facade improvement along commercial strips.
b. Deleading - on a sliding scale fee-for-service basis based on income test.
c. Demolition and subsequent beautification of abandoned commercial sector properties.
d. Supports for work-equity housing rehabilitation programs in SaveMor and Hyde Park.
e. Restoration and maintenance of recreation facilities within the target areas, in particular at Columbia Park and Franklin Field.
f. Modification of public and private facilities for handicapped access. (Present HEW regulations should create a substantial fee-for-service market.)
g. Winterization and other energy conservation measures.
h. Security and fire protection programs along the lines of, but in a broader universe, the housing project demonstrations. Publicly owned property is a particularly important market in the SaveMor neighborhood.

3. Programs Designed to Increase Citizen Access to Income and Other Entitlements. Close to 25% of Boston's households depend on transfer payments, pensions, or unemployment insurance for all or part of their income. There is scattered but substantial evidence, however, to suggest that Bostonians - and the poor and elderly in most large cities - fall far short of receiving their full and fair share of these benefits. Since the municipality is not obliged to bear any of the direct costs of these programs, every dollar of increased entitlement income or service provided, rebounds in full to the City's benefit. Yet there is not a systematic publicly-supported effort to insure that the City's citizens receive the full benefit of these programs.

Attorneys at the SSI Center estimate that less than two-thirds of those eligible for disability benefits ever collect them. Staff at the University of Massachusetts Law Clinic (a program training paraprofessionals and concentrating on consumer law programs) report that over half of their caseload is entitled to but not receiving benefits under either an income supplement or health program. Hidden by the fanfare about ineligible young people receiving food stamps is the persistent finding that large numbers of households (particularly the employed poor) are eligible for stamps but do not receive them.

Problems of three kinds account for these findings.

a. The inefficiency of the Federal and State information systems and the resulting failure of many eligible citizens to apply.
b. The intricacy of the medical evaluation and application procedures (particularly with respect to SSI disability and Medicare) discourages numerous individuals early in the process.
c. A wide spread lack of information about appeal rights which, combined with the increasing toughness of State officials - designed to hold down caseloads - further limits access.

A variety of manpower programs using employees as facilitators, negotiators, guides, and information deliverers could substantially increase access to each of the entitlement systems and, therefore, increase personal income. Most of the GBLS offices, the SSI center, the UMASS Clinic, the elderly service centers, the Mass. Advocacy Center, and the Department of Health and Hospitals could house such programs. Training is readily available as is the necessary legal/medical back-up if sufficient funds are found. Specific initiatives could include:

a. Information and transportation programs.
b. Advocates assigned to work with professional staff of legal and other services.
c. Local home care corporations using CETA VI(b) funds.
d. Paraprofessionals working as advocates in housing proceedings.
e. Para-professionals working with medical professionals at City Hospital and neighborhood health centers to certify SSI eligibility.
f. Collection and updating of demographic and other information on which entitlements are based.

4. <u>Programs Designed to Induce General Fund or Personal Income Savings</u>. The following ideas are based on the same premise as those in category three except that the notion has been expanded in two ways. First, some of the proposals will impact the municipal rather than the household budget. In some cases, the impact will be felt through increased revenues; in others by decreased costs due to increased efficiency. Second, the programs aimed at individuals are designed to lower costs of consumption.

a. Expansion of the capacity and marketing outreach of food cooperatives. In some cases this should include local transportation services.
b. Traffic ticket (and perhaps other kinds of tax delinquency) collection program.
c. Energy conservation (see Job Creation Task Force Final Report for climate maintenance contracting proposal).
d. Monitoring and quality control of trash removal, street cleaning, and other Department of Public Works services (see attached description of New York City program).
e. Title XX supported day care for mothers working in private sector jobs or in any of the above programs.
f. Preventive maintenance of municipal vehicles and equipment.
g. Waste recycling based on the Cambridge Housing Authority's program at Washington Elms.
h. Flexible hour or shared job programs for AFDC recipients which allow them to take maximum advantage of the $30 and a third regulations.

Many of these programs stimulate new markets which can continue to support the project subsequent to terminating the CETA subsidy. In other cases, increased revenues will justify continued general fund supports.

5. <u>New Ventures with Self-sustaining Market Potential</u>. This final category is simultaneously the least well defined and potentially the most exciting. The steps outlined in part three above are applicable here. The distinction we have tried to make here is that the venture ideas which follow will not need as much (if any) equity financing from other public sources. In most cases, working capital and receivables financing should be conventionally available.

a. Ventures based on municipal purchasing which is redirected to keep material and supply purchases within the City. It is important to note here that the slightly higher costs of buying locally can often be offset by other (tax and purchase multiplier) returns to the City. Each undertaking of this type needs to be evaluated based on its dual balance sheet impact.

b. New ventures in the service sector can be supported by other funds (Title XX, Chapter 776, etc.), or may increase access to Boston markets. Some initial thoughts include day care, home health care, safer transportation, messenger services, tutoring, and a variety of recreation programs on and around the harbor. In this respect there are numerous opportunities for ventures built around cultural and recreational opportunities.

c. Housing development based on linking tax title property, block grant funds, and Massachusetts Job Creation Corporation transfer payment diversion.(See the Maverick Corporation rehabilitation project in Hartford.)

We have provided more detail with respect to a representative selection of these possibilities. No attempt has been made in either listing to be exhaustive or to do a relative weighing of the projects. Subsequent work will expand the list and propose a ranking formula.

NOTE: This was prepared for the Job Creation Task Force, and while it is not specifically designed for use in this context, it can easily be adapted.

Measuring the Return on Public Investment. A rate of return calculation is important for several reasons. One, as a comparative benchmark between individual manpower initiatives, the rate of return will enable management staff to assess the success of each program within the context of alternative work projects and two, as a means of assessing the return to taxpayers' investment relative to the present system of transfer payments. This rate of return calculation is not intended, however, to be used in comparison to the return the City would get on, for example, Treasury bills or an investment in shopping centers, since clearly the return on those investments will be greater.

Rate of Return = decreased dependency costs[(a)] + increased taxes [(b)] + equity[(c)] + interest on loans[(d)] - interest paid for City debt[(e)] ÷ net public investment[(f)] + costs of start-up or ongoing subsidy[(g)].

a. Decreased dependency costs can be assess by figuring the net transfer savings attributable to the project. This would include the sum of all the new workers and all the transfer payments they would be entitled to multiplied by what the average weekly entitlement to the transfer payment would have been, multiplied by the workers' expected weeks of employment less the estimated number of weeks the individual would have been employed without the project.

b. Net added taxes attributable to the project or enterprise: this could be pulled together by taking the sum of workers times the net added earnings per worker, multiplied by the effective state, local and federal direct and indirect tax rates; added to this should be the induced extra consumer spending times the effective sales and excise taxes, plus some allowance for those additional purchases which the projects themselves make from industry which would not have occurred without the City's initiative.

c. Return on equity could be either dividends or stock appreciation; in either case it will not add up to much.

d. Interest on loans: If a direct loan is used (as in the case of the MHFA start-up) the interest paid on that loan.

e. Interest paid for City debt: We should account for the fact that public money is not free (and also in a backdoor fashion deal with opportunity cost) by including a carrying cost equal to the interest

paid on the most recent g.o. issue for monies either invested in or loaned to the enterprise.

f. Net public investment: Equity, grants, equipment, and so on, but not the value of the transfer payment or wage subsidy.

g. Costs of start-up or ongoing subsidy: Higher costs for goods or services purchased by any public instrumentality or any direct payment to absorb an operating deficit.

Examples of Employment and Training Initiatives Described in Section 3.

1. Utilization of New Capital Sources

Publicly financed business acquisitions. The availability of new public sources of capital, and the desire to retain or create jobs rather than achieve a market level of return opens new opportunities to retain viable business ventures through acquisition or to create them through start-up funding. These can serve either public or private markets. A reasonable number of long-established businesses liquidate annually because no private capital market exists for the business with a relatively low rate of return. Various public capital sources can now be utilized by quasi-public, non-profit community development corporations to acquire these establishments.

Kinds of employment opportunities. Frequently, these businesses are characterized by relatively labor intensive production techniques and some skilled specialized workers. Loss of these jobs creates additional demands on public services to the newly unemployed and often create the need for retraining. Without alternative job opportunities, these people are often compelled to migrate out of the City. The employment opportunities would be quite varied, depending upon the particular venture. Every effort would be made to match the existing workforce to the available opportunities.

Scope of program. With just a few successful acquisitions, such a program could easily retain several hundred jobs a year. Smaller scale new start-ups designed to take advantage of publicly financed services, such as day care facilities, could contribute an additional 100-200 jobs per year.

Target population. In the case of acquisitions of long-established firms employing highly skilled workers, the target population is likely to be middle aged or older, stable working class men and women. Such enterprises should also provide a modest but steady stream of new job openings for entry-level workers who can develop skills on the job and progress through well established advancements ladders to higher paying positions.

Positions in new publicly supported service enterprises can generally be filled by less experienced people who received specialized training.

Funding source. Acquisitions and start-ups of this kind can often use manpower programs to seed public sector financing sources which in turn can leverage private sector debt financing. For example, CETA or diverted

transfer payments could help capitalize a venture providing a CDC with a modest equity position in the venture. The Community Development Finance Corporation could provide additional equity capital to the venture. With mortgage insurance from MIMIA, the venture should encounter relatively little difficulty securing private debt financing for land, plant, equipment or receivables.

2. Infrastructure

Manufacturing instrastructure. Boston has a great deal of vacant loft space which lends itself to a variety of young start-up enterprises requiring inexpensive industrial space. The City or a CDC could acquire such space and with only modest rehabilitation use it to serve as an incubator for new enterprises.

Kinds of employment opportunities. The direct employment derived from such an effort would be minimal. The interest of the sponsoring entity would center on the secondary employment that will result from the activities of industrial tenants. These latter employment opportunities would typically be assembly type jobs or other labor intensive work opportunities.

Scope of program. The scope of this kind of activity is highly dependent upon related business development efforts. Realistically, beside property management activities, the direct employment benefits would be virtually nil. However, the secondary employment benefits for a single fully occupied building could be 25-100 employees. If successful and owned in part by a CDC, or through contract with the City, the expansion by the firm could be kept within the City and/or expected to hire City residents.

Target population. Besides relatively skilled product designers and managers, such infant enterprises are likely to hire low-skill assembly personnel and more highly skilled fabricators.

Funding source. For the building itself, financing should be obtainable from SBICs, and private capital sources in conjunction with MIMIA guarantees. Business development assistance for prospective tenants might be forthcoming from the Mass. Science and Technology Foundation and its probable successor, the Technology Development Corp. Coupling those with training subsidies to provide a resident work force for the new enterprise would be a desirable approach.

Deleading and other housing improvement efforts. Recent housing studies have shown that in stable residential neighborhoods characterized by a

predominance of owner residents, housing services are heavily subsidized by the owners in order to attract desirable tenants. Where possible, the City should try to return property tax increases in the form of relatively inexpensive subsidies (for direct improvements) to these owners. For example, most of the City's housing stock was built prior to 1950 and contains lead-based paint. Many could use weatherization (insulation, storm windows, etc.) to reduce operating costs. These housing improvements are labor intensive and require relatively low skill levels. In addition, there are both local and outside public sources to finance these improvements.

Kinds of Employment opportunities. New ventures designed to provide housing improvement services would involve three types of employment opportunities: (1) Supervisory personnel responsible for ordering materials and directing work crews; (2) construction estimators who determine the kinds of improvements needed in individual structures; and (3) laborers to actually carry out the work. Supervisory personnel should have some prior experience. These positions may be transitional for individuals temporarily unemployed. Estimators will require some training in rehab and should preferably have rehab experience. Laborers could be either teenagers or new entrants into the job market. They will require on the job training and could eventually assume supervisory positions.

Scope of program. Housing improvement should focus on identifiable neighborhoods where buildings are owned by residents and market conditions are fairly stable, though housing conditions call for modest physical repairs. The program could probably support ten crews of six laborers and one supervisor (70 people) and three evaluators.

Target population. An effort should be made to fill laboring jobs with new entrants to the labor market, including teenagers. Supervisory and estimator positions should be filled by experienced though unemployed individuals.

Funding source. Positions could be funded with CETA funds, youth employment funds and, to the extent that a viable public market exists, with diverted transfer payments. The public support for the program could be financed from increases in the CDBG allocations and UDAG grants. Training funds should be available from STIP and possibly vocational educational funds.

3. <u>Programs Designed to Increase Citizen Access to Income and Other Entitlements</u>.

<u>Social Security and Medicaid Advocates</u>. Presently, roughly 20% of Boston's eligible Social Security recipients are not receiving benfits. Similarly, the State has tightened Medicaid regulations to make it more difficult to qualify for benefits. In both cases, specially trained advocates who are familiar with the relevant regulations could help increase the flow of transfer payments to Boston residents from outside sources.

<u>Kinds of Employment opportunities</u>. Social Service Advocates would be para-professionals specially trained (a) in legal remedies and agency regulations associated with the various categories of entitlement programs (b) in the medical conditions and treatments that entitle people to program benefits; and (c) in the institutional resources in the Boston area that can assist advocates in obtaining documentation needed to secure program benefits for eligible recipients. Social Service Advocate positions would be primary employment permitting advancement into other service sector jobs.

<u>Scope of program</u>. Teams of advocates should be assigned to Boston City Hospital, neighborhood clinics and social welfare agencies. Such a program could easily employ 50 to 75 advocates.

<u>Target population</u>. Social Service Advocates require verbal and writing skills, good work habits and an ability to work with limited supervision. The population could include people with good work histories, though not necessarily related to these programs. To a lesser extent, the program could also absorb highly motivated youths who have recently graduated from high school and are just entering the labor market.

<u>Funding source</u>. Advocates should derive their income from CETA grants. CETA Title I, Section 112 funds could be used for training advocates.

4. Programs Designed to Induce General Fund or Personal Income Savings.

Parking violation collection and stolen vehicle retrieval. These two activities are now carried out by the City's police department. If additional non-police personnel were assigned the task of checking the registration of cars parked thoughout the City with a computer containing data on stolen vehicles and owners who have failed to pay parking violations, it should be possible to collect a greater number of unpaid fines and to locate stolen automobiles more rapidly. This would free police personnel for other activities and/or augment their efforts in this area.

Kinds of employment opportunities. This program would involve two jobs: (1) Neighborhood patrols equipped with walkie-talkies and (2) computer terminal operators. The first is a low skill job requiring minimal reading skills. The second would involve a very modest level of on-the-job training in the operation of a computer terminal. Supervision would be virtually unnecessary since performance would be judged through the number of inquiries made of the computer operators by neighborhood patrols. Both jobs would be entry level, full or part-time.

Scope of program. This program, if put into operation throughout the City, could employ between 50 and 100 people. It could be tailored to employ either fewer or more people depending upon how productive this activity proves and upon the initial level of outside subsidies that can be obtained.

Target population. Neighborhood patrols are particularly well-suited for unemployed youth. Because there are few built-in advancement ladders, mechanisms should be developed to permit career advancement to those who perform well in the field. For example, establishing a priority system for filling vacancies among metermaids from this worker pool would create an incentive that should improve job performance.

Computer terminal operators should also have opportunities for advancement either as dispatchers, computer programmers or operators in the public sector. If operators were offered subsidized computer courses while they work, these individuals might then find better-paying, primary sector jobs in either the private or public sector.

Funding source. Funding for this program could come from a number of sources. CETA and Youth employment funds could serve to initially fund this program. Additional grants could be sought from the LEAA or from DOL to fund the program as a pilot project. It might be possible to

finance the program as a business if insurance companies, or organizations like Hot Car, were willing to offer rewards or a finder's fee for the recovery of stolen vehicles. Similarly, the courts might agree to pay a "percentage" fee to the program for collections of fines. The program would require little capital. If the public grant sources failed to materialize but feasibility studies indicated that such a venture could be operated at a break-even or better level, diverted transfer payments through the MJCC could be employed to capitalize the enterprise. Additional training funds could be secured through STIP.

This program should provide adequate returns through tax savings to justify its existence even in the absence of a viable private market.

5(b) Service Sector Job Creation

Neighborhood bus service for the elderly. It is well recognized that the elderly are often limited to local and often high priced commercial establishments. A special bus service could be instituted to transport the elderly from their homes to some of the City's low-cost storefront food cooperatives. Teenagers could be hired to carry food bundles from the store to the bus and from the bus to the passenger's apartment. The bus could also make a stop at a bank to allow the elderly to cash social security checks, and then give them the security of a companion until they arrive back in their apartments.

Kinds of employment opportunities. Such a program would involve primarily two kinds of jobs: (1) bus drivers and (2) bundle carriers. In addition, such a program would involve some administrative support to plan routes, notify possible users and establish access to the food cooperatives. This could be obtained from either the home care corporations or the food coops which often seek opportunities to provide this sort of social service.

Scope of program. Each bus used in this program would use a three-person crew, one driver and two helpers. Each bus might make two trips a day, retracing each route once a week. School buses, idle for three or more hours between morning and afternoon runs, could be utilized in this program. Although this would only permit a single shopping run for the elderly each day, the cost would only be marginal. On a full-time basis, however, the program could probably absorb 15 drivers and 30 helpers.

Target population. Drivers could be found among unemployed and underemployed adults. Some may require a modest training program to teach them to drive large vehicles and to qualify for the necessary motor vehicle license. This skill should also be transferable and marketable.

Helpers would most logically be teenagers. The work would be entry level involving no special skills. It would permit the worker to establish good work habits and an employment record that might give them access to other positions in the future.

Funding source. This program could be run as a subsidized service using CETA and Youth Employment slots. It could also attract additional outside subsidies through foundations or State and Federal programs aimed for the elderly.

Examples of Employment and Training Initiatives Described in Section 3.

1. Utilization of New Capital Sources

Publicly financed business acquisitions. The availability of new public sources of capital, and the desire to retain or create jobs rather than achieve a market level of return opens new opportunities to retain viable business ventures through acquisition or to create them through start-up funding. These can serve either public or private markets. A reasonable number of long-established businesses liquidate annually because no private capital market exists for the business with a relatively low rate of return. Various public capital sources can now be utilized by quasi-public, non-profit community development corporations to acquire these establishments.

Kinds of employment opportunities. Frequently, these businesses are characterized by relatively labor intensive production techniques and some skilled specialized workers. Loss of these jobs creates additional demands on public services to the newly unemployed and often create the need for retraining. Without alternative job opportunities, these people are often compelled to migrate out of the City. The employment opportunities would be quite varied, depending upon the particular venture. Every effort would be made to match the existing workforce to the available opportunities.

Scope of program. With just a few successful acquisitions, such a program could easily retain several hundred jobs a year. Smaller scale new start-ups designed to take advantage of publicly financed services, such as day care facilities, could contribute an additional 100-200 jobs per year.

Target population. In the case of acquisitions of long-established firms employing highly skilled workers, the target population is likely to be middle aged or older, stable working class men and women. Such enterprises should also provide a modest but steady stream of new job openings for entry-level workers who can develop skills on the job and progress through well established advancements ladders to higher paying positions.

Positions in new publicly supported service enterprises can generally be filled by less experienced people who received specialized training.

Funding source. Acquisitions and start-ups of this kind can often use manpower programs to seed public sector financing sources which in turn can leverage private sector debt financing. For example, CETA or diverted

The program might prove to be a viable business venture if able to obtain contracts with home care corporations or additional public sector contracts to provide busing services for the school department. Such a venture could be capitalized through the MJCC diverted transfer payments, CDFC and initial labor subsidies in the form of CETA and youth employment slots. Training funds for drivers might be forthcoming from state vocational education monies.